



## STAFF REPORT

DATE: SEPTEMBER 6, 2011  
TO: AGENCY CHAIR AND BOARD MEMBERS  
FROM: ROD FOSTER, EXECUTIVE DIRECTOR  
PREPARED BY: ARTHUR MORGAN, REDEVELOPMENT MANAGER  
SUBJECT: APPROVE PROFESSIONAL SERVICES AMENDMENT WITH URBAN FUTURES, INC.

### RECOMMENDED ACTION

Approve and authorize the Executive Director to execute an Amendment to the Professional Services Agreement with Urban Futures, Inc. ("UFI"), extending the term for Administrative Financial Advisory Services.

### GOAL STATEMENT

The proposed action will support the City's goal to foster economic development, create jobs and eliminate blight in the City.

### BACKGROUND

In November 2009, the Agency entered into a Professional Services Agreement (PSA) with UFI for preparing the Agency's Five-Year Implementation Plan as required by California Redevelopment Law; and subsequently in December 2009 added "administrative financial services" to the scope of work under the PSA, added \$25,000, and extended the term to June 30, 2011.

In August 2011, the California Supreme Court ordered a Stay relative to specific portions of AB X1 26 and 27 pending the final decision by the Supreme Court regarding the Petition filed by the California Redevelopment Association and the League of California Cities regarding the constitutionality of AB X1 26 and 27.

### ISSUES/ANALYSIS

The Agency has been identifying actions that it can and cannot conduct under the Stay Order. The Agency has consulted with its legal counsel regarding certain existing Professional Services Agreements (PSA); in particular, the contract with UFI who has assisted the City and Agency in understanding the nuisance of AB X1 26/27 and the Supreme Court's Stay Order.

UFI has worked with the City in adopting its Ordinance, authorizing participation in the Alternative Voluntary Redevelopment Program, pursuant to AB X1 27. UFI has also been instrumental in working with the City in preparing and adopting its Enforceable Obligation Payment Schedule pursuant to AB X1 26.

The City wishes to continue to use the “administrative financial services” of UFI related to the active provisions of AB X1 26/27, including preparing and adopting its upcoming “Recognized Obligation Payment Schedule”, which must be filed with the State of California Department of Finance no later than September 30, 2011. UFI has been a valuable resource to both the City and Agency during these uncertain times relative to the elimination of redevelopment agencies. Staff desires to continue receiving the services of UFI.

The Stay Order allows for the Agency to continue its administrative functions in order to meet its obligations under the active provisions of AB X1 26 and 27. The PSA with UFI expired and the Agency desired to extend the term of UFI’s agreement this past July. However, the PSA Amendment was removed from the agenda when AB X1 26 and 27 were signed into legislation. Agency legal counsel has determined that UFI’s services can be treated as an administrative financial service, to the extent that they relate to the active portions of AB X1 26 and 27, and the Agency can extend the term of the PSA.

## **FISCAL IMPACT**

Amendment to the PSA with UFI is only for a term extension to December 31, 2012, and requires no change in total compensation.

## **ALTERNATIVES**

1. Provide alternative direction to staff.

## **ATTACHMENTS**

1. Amendment to PSA with UFI for Financial Advisory Services

**SECOND AMENDMENT TO  
PROFESSIONAL SERVICES AGREEMENT**

**BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF COLTON  
AND  
URBAN FUTURES, INC.**

**1. PARTIES AND DATE.**

This Second Amendment to the Professional Services Agreement ("Second Amendment") is made and entered into this 6<sup>th</sup> day of September, 2011 by and between the Redevelopment Agency of the City of Colton ("Agency") and Urban Futures, Inc. ("Consultant"). Agency and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Amendment.

**2. RECITALS.**

2.1 Agreement. Agency and Consultant entered into that certain Professional Services Agreement dated November 24, 2009 ("Agreement") (and subsequently amended for the first time on December 22, 2009), whereby Consultant agreed to prepare the Agency's 2010 – 2014 Implementation Plan and to provide consulting services for the Agency.

2.2 Second Amendment. Agency and Consultant desire to amend the Agreement to extend the term to December 31, 2012 and incorporate the December 22, 2009 Agency approved minute action adding \$25,000 of funding to this Agreement.

**3. TERMS.**

3.1 Term, and Fees and Payments. Sections 3.1.2 and 3.3.1 of the Agreement are hereby deleted in their entirety and replaced with the following:

"3.1.2 Term. The term of this Agreement shall be from November 24, 2009 to December 31, 2012, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement."

3.2 Continuing Effect of Agreement. Except as amended by this Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Amendment.

3.3 Counterparts. This Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

**[SIGNATURES ON FOLLOWING PAGE]**

**REDEVELOPMENT AGENCY  
OF THE CITY OF COLTON**

**URBAN FUTURES, INC.**

By: \_\_\_\_\_  
Rod Foster  
Executive Director

By: \_\_\_\_\_  
Marshall Linn,  
Chief Executive Officer

*Attest:*

\_\_\_\_\_  
Eileen C. Gomez  
Assistant Secretary

*Approved as to Form:*

\_\_\_\_\_  
Best Best & Krieger LLP  
Agency Attorney